

Life Sciences Discovery Fund Authority

Board Minutes

Corus Pharma – Seattle, WA

Tuesday, July 18, 2006 | 10:00a-3:00p

Trustees Present: Lura Powell (chair), Sen. Lisa Brown, Gov. Gary Locke, Rep. Skip Priest, Jim Cook, and Tony Hey

Trustees Absent: Rita Colwell, Sen. Jerome Delvin, Bruce Montgomery, Rep. Jeff Morris, Cheryl Scott

Others Attending: Lee Huntsman (LSDF), Pamela Anderson (Attorney General's Office), Shan Mullin (Coalition), Brad Jurkovich (Coalition), Alden Jones (LSDF), Ken Spitzer (WSU), Jack Nagan (BRI), Brenda Montgomery (UW), Steve Ross

MINUTES

Welcome and Introductions – Powell

Approval of Minutes – Due to a lack of a quorum, the minutes will be circulated to trustees for edits and final approval.

Update – Various

- *Listening Sessions* – LSDF held two, recent listening sessions at: PNNL in Richland, WA (June 8) and the WA State Potato Commission in Moses Lake, WA (June 16). Both were well attended by local researchers and industry representatives who provided feedback and suggestions to LSDF. Board recommends follow-up meetings to communicate LSDF (program) progress and solicit ongoing input from these constituents.
- *New Trustee* – Senator Jerome Delvin will replace outgoing Senator Bill Finkbeiner. Sincere appreciation conveyed to Senator Finkbeiner for his service to LSDF, particularly for his support and contributions during the BIO 21 process.
- *Philanthropy* – Gratitude was expressed to Microsoft Corporation (Community Affairs) for their donation of \$500,000 in general support. Conversations continue with other major donors.
- *IT* – Staff researching vendors with transactional web capabilities (Cybergrants) and initial discussions with Governor's office regarding preference for site design and placement.
- *Coalition* – Private fundraising continues. In September, Coalition plans to begin new outreach to economic development organizations. Coalition continues to inform members of news and events: Delvin appointment, Governor's upcoming life sciences summit in Seattle on September 25. Regarding the latter, Mullin to update trustees as to LSDF role in program. Coalition leadership reviewed LSDF position description for Director of Communications and scope of work for potential communications contractor.

Discussion Items – Huntsman

- *Biennium Budget Request* – Huntsman has confirmed with OFM that the \$150K + \$992K are non-lapsing funds. Regarding whether LSDF: 1) should submit a budget request this biennium; or 2) can deficit spend against the April 2008 \$35M tobacco bonus payment; or 3) would formulate a hybrid of the two will be addressed in a future meeting between Huntsman, OFM (Victor and Wolfgang), and staff for the Ways and Means and the Appropriations committees. Additionally, clarification will be sought regarding whether bonus payment will be made directly to LSDF into non-appropriated account. Huntsman

noted the University of Washington's recent inquiry regarding transitioning the salaries of two "loaned executives" (Huntsman and Jones) over to LSDF. Board suggested Huntsman revisit budget and include as a budget request.

- *Facilities* – LSDF invited by WBBA to co-locate. WBBA, LSDF staff and two trustees have toured potential sites downtown and around Lake Union. Huntsman to circulate lease proposal if timing outside normal meeting cycle.
- *Communications* – RFP on the street for communications consultant to help LSDF develop overall communications strategy. Deadline for vendor submission July 28, 2006. Board deferred to previous (November 2005) board decision to grant the executive director expenditure authority in consultation with the board chair for this estimated \$19,999 contract.
- *Hiring* – Recruitment of Director of Programs and Grant Administrator positions underway. Print and Web site advertisements in place with Council of Foundations, SSTI, WBBA, Philanthropy News Digest, among others. Powell, Cook and Huntsman interviewed three Director of Programs candidates on July 17. Huntsman will circulate final recommendation for Director of Programs position to trustees for approval if outside of normal meeting cycle.

Executive Session

Board met in session to discuss recent Director of Programs interviews.

Break and Lunch

Legal - Anderson

- *Master Settlement Agreement* – Anderson again noted that the tobacco companies are not likely to prevail in any diminution of payments nor will the litigation postpone the bonus payment disbursement to Washington State.
- *Other Legal* – Due to a lack of a quorum, Anderson to defer conversation regarding By-Laws and Conflicts Policy to September meeting. Board noted need to address quorum and possibility of reducing to 6 (vs 7).

Programmatic Path – Powell and Huntsman

Huntsman presented a draft matrix in an attempt to capture the many discussions about programmatic categories and procedural components.

Discussion next focused on the possibility of an initial grant-making round. If philanthropic support allows for a program to distribute a few million dollars, should it be of broad scope or more focused? It was concluded that the most desirable focus would be on new approaches (organizational/technical/etc.) with the potential to improve the cost-effectiveness of health care in Washington. Trustees asked staff to prepare a one-pager outlining such a program.

Huntsman was encouraged to contact absent trustees for additional input.

Meeting adjourned

*Respectfully submitted,
Lee Huntsman*